

Message Text

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ORIGIN AF-10

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FM SECSTATE WASHDC
TO ALL AFRICAN DIPLOMATIC POSTS IMMEDIATE

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E.O. 11652: N/A

TAGS: EAID

SUBJECT: CONGRESSIONAL STATUS REPORT ON FOREIGN AID LEGIS-
LATION

1. THE HOUSE JUNE 22 ACCEPTED AN AMENDMENT OFFERED BY REP. YOUNG OF FLORIDA TO THE FOREIGN ASSISTANCE APPROPRIATIONS BILL DENYING ASSISTANCE DIRECTLY OR INDIRECTLY TO VIETNAM, CAMBODIA, LAOS, UGANDA OR CUBA. MENTION OF MOZAMBIQUE AND ETHIOPIA WAS DELETED PRIOR TO THE VOTE. HOWEVER, REP. CRANE WILL TODAY INTRODUCE AN AMENDMENT ADDING MOZAMBIQUE AND ANGOLA TO THE LIST OF PROHIBITED COUNTRIES. WE WILL MAKE EVERY EFFORT TO DEFEAT THE CRANE AMENDMENT AND WILL ATTEMPT TO HEAD OFF THE INTRODUCTION OF LIKE AMENDMENTS IN THE SENATE WHICH WILL CONSIDER THE APPROPRIATIONS BILL AFTER THE JULY 4 RECESS.

2. IN FURTHER HOUSE ACTION YESTERDAY, THE \$100 MILLION SOUTHERN AFRICA SPECIAL REQUIREMENTS FUND WAS APPROVED UNEARMARKED,
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AS WELL AS \$50 MILLION FOR THE SAHEL.

3. TEXT OF WASHINGTON POST ARTICLE JUNE 23 WHICH WAS ERRONEOUS WITH RESPECT TO MOZAMBIQUE'S AND ETHIOPIAN INCLUSION AMONG COUNTRIES DENIED ASSISTANCE, AS FOLLOWS:

BEGIN QUOTE: CARTER GIVEN TROUNCING ON AID MEASURE: PRESIDENT

CARTER WAS HANDED A SIGNIFICANT DEFEAT ON THE HOUSE FLOOR YESTERDAY AS THE HOUSE VOTED 295 TO 115 TO PREVENT INTERNATIONAL BANKS AND LENDING INSTITUTIONS FROM USING MONEY CONTRIBUTED BY THE UNITED STATES FOR AID TO CUBA, INDOCHINA OR THE AFRICAN NATIONS OF UGANDA, MOZAMBIQUE OR ETHIOPIA.

CARTER, IN A LETTER TO SPEAKER THOMAS P. (TIP) O'NEILL JR. (D-MASS.), HAD SAID THAT PASSAGE OF SUCH AN AMENDMENT WOULD, "IN EFFECT, JEOPARDIZE CONTINUED U.S. PARTICIPATION IN THE BANKS." HE WENT ON TO SAY, "SPECIFYING THAT U.S. FUNDS COULD NOT BE USED FOR LOANS TO THESE COUNTRIES BY THE MULTILATERAL DEVELOPMENT INSTITUTIONS WOULD IN ALL PROBABILITY MAKE IT IMPOSSIBLE FOR THESE INSTITUTIONS TO ACCEPT OUR FUNDS." HE DID NOT EXPLAIN WHY.

BILATERAL AID TO INDOCHINA, CUBA AND THE THREE AFRICAN NATIONS WAS ALREADY PROHIBITED BY THE \$7 MBILLION FOREIGN AID APPROPRIATION BILL THE HOUSE WAS CONSIDERING BUT REP. C. W. (BILL) YOUNG (R-FLA.) WANTED TO PROHIBIT U.S. MULTILATERAL AID, GIVEN THROUGH SIX INTERNATIONAL BANKS AND LENDING INSTITUTIONS.

REP. JACK KEMP (R, N.Y.), SUPPORTING YOUNG, SAID THE BANKS WERE JUST PROVIDING A "CIRCUITOUS" WAY TO GIVE U.S. MONEY TO INDOCHINA AND THE OTHER NATIONS. REP. B. F. SISK (D-CALIF.) SAID CONGRESS WAS NOT AIDING THOSE COUNTRIES BILATERALLY, UNCLASSIFIED

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BUT THEN ALLOWING MULTILATERAL AID.

REP. DAVID R. OBEY (D-WIS.), LEADING THE FIGHT FOR THE CARTER ADMINISTRATION ON THE FLOOR, SAID THE INTERNATIONAL INSTITUTIONS WERE SET UP AS A WAY OF "DEPOLITICIZING" FOREIGN AID PROGRAMS AND AS A WAY OF "SHARING THE BURDEN" OF FOREIGN AID WITH OTHER COUNTRIES WHICH ALSO CONTRIBUTE TO THE INSTITUTIONS.

IF SUCH A LIMIT AS YOUNG WANTED WERE PUT ON, THE BANKS WOULD PROBABLY HAVE TO REJECT U.S. CONTRIBUTIONS, OBEY SAID.

"BALONEY, I SAY LET'S FIND OUT," YOUNG SHOT BACK. "LET'S PUT THE LIMIT IN THERE. I SAY THE BANKS WILL TAKE OUR MONEY ANYWAY." UNDER THE BILL, THE UNITED STATES IS SCHEDULED TO CONTRIBUTE TO SIX INTERNATIONAL BANKS AND INSTITUTIONS, SUCH AS THE ASIAN DEVELOPMENT BANK, \$2.123 BILLION FOR FISCAL 1978. END QUOTE

4. LATE ON JUNE 23, HOUSE PASSED CRANE AMENDMENT, PUTTING MOZAMBIQUE AND ANGOLA ON LIST OF PROHIBITED COUNTRIES. STRUGGLE NOW SHIFTS TO SENATE WHERE WE HOPE TO GET THE COUNTRIES DELETED FROM LISTAS WELL AS REFERENCE TO INDIRECT ASSISTANCE. CHRISTOPHER

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